# ANGLO-CALIFORNIA TRUST COMPANY

COMMERCIAL-SAVINGS-TRUST

SAN FRANCISCO

September 16, 1922

Messrs. Leib & Leib,
Attorneys at Law,
First National Bank Bldg.,
San Jose, California.

Gentlemen:

In re Sarah L. Winchester Trust.

We wish to acknowledge receipt of yours of the 7th inst. In reply will state that the only one interested in the trust we hold is William Pardee Sprague, whose address is 1624 Octavia Street, San Francisco. However, we are not certain that this is the correct address, inasmuch as Mr. Sprague calls at the bank each month for the amount due him.

Yours very truly,

Grant Cordrey,
Trust Officer

GC/W

MEMBER FEDERAL RESERVE SYSTEM

here in Lexington
you can call on Mrs.
Hinchelin at your
early convenience
and make a report
accordingly

Yours Very truly

L. L. Bahnsen
Secretary to
Judge Robert E. Doan

S.L.W.

My dear Mr Elder

In connection with the old Austin families & America you are hereby authorized & directed to proceed to San Francisco and call on Mrs S. L. Winchester of S. J. - who will be interested in a historical to the name and achievements of her distinguished husband -

the Sacred & Spiritual interest which Bro W. feels in this matter will add greatly to her happiness & to her years, and when she fully understands the subject there is no doubt in our mind of her hearty support and Co-Operation that her name will be added to the Roll of Honor of other illustrious names of illustrious memory in this County and Europe

Judge wishes me to add that he had personally acquainted with Mrs Armbruster's husband and that even as early as the second administration of our Martyred President William McKinley the name of Mrs. Armbruster was suggested by President McKinley & receive this distinction and honor in connection with this National Memorial

W 21 527

WINCHESTER
REPEATING ARMS CO.
*NEW HAVEN, CONN.*

My dear Sally:

Herewith enclosed please find copy of a letter I have just received from Mr. Rambo. It is of no special importance, but I send it to you, as I have all other communications from him which pertain to your purchase or interest in any way.

Sincerely yours,

Dictated to
Short-Hand Writer by

Wm. W. Converse

To Sarah L. Winchester,

New Haven, Conn.

Enclosure

www.hrsonline.org

*Address all letters to*

WINCHESTER
REPEATING ARMS CO.



EXTRACT FROM LETTER FROM MR. E. B. RAMBO.

"I am in receipt of your telegram that Mrs. Winchester will "pay $25,000.00 for the place, and for me to go ahead, etc.

"I will do the best I can. It is somewhat complicated by "Campbell having only till May 6th, in which to complete his pur- "chase---which leaves but a short week for Judge Lane to examine "title, and then Campbell now wants to keep half the land and has a "party for the other half; so that I don't fully know without my "taking some risk.

"One thing is certain; Campbell actually pays $24,000.00; then to agree "I obliged them to give me $250.00; so there will be very little "advance made on Mrs. Winchester.

"If it goes through completed, and I get anything the $250.00-- "I will send it to you, and you can do what you choose with it.

"Yours truly,

(Sig.) E. B. RAMBO."

*S. F. Leib,*
*Attorney at Law,*
*San Jose, California.*

San Jose, Cal., March 4th, 1910.

Mrs. Sarah L. Winchester,

Manlo Park, California.

My dear Mrs. Winchester:

Your favor of the 28th ult., mailed on March 3rd, just at hand. I send you herewith a copy of Section 1313 of the Civil Code of California.

After you executed the other will, it ~~had~~ occurred to me that it was possible that the will, as drawn, might be in violation of that Section, notwithstanding part of your personal property may be in another State. Whether the property you have given for charitable uses exceeds one-third of the total amount of your property, you can much better determine than I can; for, in fact, I have no knowledge sufficient to enable me to determine that matter at all. Much of the property given for the benefit of your relatives, by the terms of the will, will eventually go to charitable uses; and there is a general residuary clause in your will for all property not specially devised to go to such uses. I assume that in discussing this matter in order to determine what the fact is that you would prefer to do it orally rather than by letter, and that is the reason that a private interview would be better than by correspondence.

If the fact is that the law would not be violated by the will as it stands, there is nothing further necessary to be done; but, on the other hand, if the fact is otherwise and you still wish your wishes carried out as expressed in the will, (as I assume you would), I would have to consider some other plan by which the same could be accomplished without violating the law.

If it is anywhere near a close question, to arrive at what

*S. F. Leib,*
*Attorney at Law,*
*San Jose, California.*

San Jose, Cal., March 4th, 1910.

Mrs. S. L. W. ------2

the fact is, then in estimating the value of the property devised to the trustees for private purposes, during the lifetime of the various beneficiaries of your bounty, and then to the charitable purposes, a valuation would have to be made of the present value of the interest of the private beneficiaries in the bequests, and the remainder of the value of the property thus bequeathed to them for their lifetime would be the valuation of such bequests as would be considered as being made for charitable uses.

In order to arrive at what the present value would be of such property which the private beneficiaries would own therein at the time of your death, and the present value of the interest which the charitable uses would then own therein, would be, it would be necessary to determine the expectation of life of each beneficiary at the time of your death. That matter could be arrived at by assuming your own life probably would be extended for a given period, say ten years from this date, as I hope and believe it will be.

It if is not a close question, it will be unnecessary, of course, to particularly consider these matters at this time. If it is, it would probably be better to adopt a different method as to the disposition of sufficient of your property to charitable uses, so as to no longer leave it a close question.

It is to be noted that there is no prohibition against the disposition of your property to charitable uses to any extent you may please, except by will.

I can, of course, determine all these matters without a

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San Jose, Cal., March 4th, 1910.

Mrs. S. L. W. --------3

personal consultation if you prefer it, if you will send me a list of all your properties and your valuations thereon and where located, I do not mean necessarily a detailed list, but a list of all your prominent properties, being only sufficiently in detail to enable me to arrive at an approximately correct result.

You have done me the honor of requesting me to see that your wishes are carried out, should I outlive you, and I am therefore especially anxious to see that every wish of yours is carried out precisely as you intend it; but to do so, it is, of course, necessary that I have all the facts necessary for me to draw your papers so as to accomplish that result; and I wish to accomplish that result without any possibility of any litigation. I may observe here that in the State of Connecticut, (where the chief charities, which are the object of your beneficence, exist), there is no provision of law limiting the amount you may give to charity.

You also ask me the following question: "When a trust is terminated and the principal handed over, is there any inheritance tax?" My answer is, "there is not." If you refer to the provisions of your trusts already created, there is no inheritance tax, because those trusts took effect as soon as created; if you refer to your will, there is no inheritance tax upon the trust therein created, except upon the interest which private parties have therein, as all bequests for charitable purposes are expressly exempt from inheritance tax, by the law itself.

There is another matter which I might suggest for your

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*Attorney at Law,*
*San Jose, California.*

Mrs. S. L. W. -------4 San Jose, Cal., March 4th, 1910.

consideration and that is, whether the amount given to private parties by your will, and which is therefore subject to the inheritance tax, is to be given to them free of the inheritance tax, or whether they are to pay the inheritance tax out of the amount which you have given them. If you intend to give it to them free of inheritance tax, a codicil should be added stating that such is your intention.

Hoping I have given you the information which you said you desired to have in order to consider it before our personal consultation over the matter, I remain,

Very sincerely yours,

S. F. Leib

Encl.

www.historysanjose.org

EXERPTS FROM CORRESPONDENCE BETWEEN MRS. SARAH L. WINCHESTER
— AND S. F. LEIB WITH REGARD TO FORMING CERTAIN TRUSTS

Letter of Mrs. W. Dated September 18, 1908

"I am desirous of placing in trust an amount of money sufficient to give the beneficiary $150 per month. I would like you to arrange this matter for me informing me what Trust Company you would consider for the purpose and what sum it would be necessary for me to furnish to carry out my plans. This trust would be created for the benefit of Mrs. Isabel C. Merriman of Palo Alto for whom I should desire check for $150 sent on the 1st of each month commencing, if possible, with November next. I would like this trust held for Mrs. Merriman during her lifetime and after her death to be held for her son W. W. Merriman and her daughter Mrs. F. A. Marriott during their lifetime, they to share the income equally. If either son or daughter should die, the survivor should receive the whole income. This son and daughter should have the right to dispose of his and her share of the trust fund by will.

"I hope I have made my meaning clear and that there is no objection in carrying out my wish" (Letter 2 of 2 = 2 letters 2 page 2)

Letter of Mr. L October 5, 1908

"The matter can be arranged in the way you indicated, that is to say that upon the death of Mrs. Merriman and her children, should their be no issue, then the property should fall back in your estate, but in order to accomplish this result you would have to make a provision of that kind consistent with your arrangements which you have already made or which you may make with reference to your estate"

Letter of Mrs. W. October 14, 1908

"You mentioned desiring to know the relation of the trust to other conditions of my estate. It would be entirely distinct and separate from any other provision. At a latter period I might

be able to make an ultimate disposition of the trust fund which would be more satisfactorily than any I can make now and this is why I asked if it would be possible to withdraw the trust at any time so that I could make other provision for its final disposal, but rather than have delay and complications I could deside upon each disposal without having it revert to my estate.

"There are several individuals to whom for a long time it has been my custom to send monthly remittances and sometimes I find myself unable to attend to it promptly, so thought to relieve myself of the task by creating trusts.

"The conditions + have suggested make it, of course, impossible to fix a definite time for the termination of the trust."

Letter of Mr. L . October 15, 1908

"The main trouble I have is to know what to provide with reference to the final disposition of the fund on the death of all the beneficiaries in interested provided they leave no issue. I am inclined to think that it possibly would be better to adopt the suggestion in your first letter of the 18th ult. that "If either son or daughter should die the survivor should receive the whole income and this son or daughter should have the right to dispose of his or her share of the trust fund by will"

"I can provide in the trust that you shall have the right to revoke the trusts or to modify its terms in any particular should you desire to do so. This will enable us to get the trust in shape and then hereafter if you choose you can modify the trust by providing some other disposition of the fund upon the death of all the beneficiaries should they leave no issue".

Letter of Mrs. W. Oct. 3, 1908

"Would it be possible to provide that if I should wish to withdraw or change conditions of the trusts at any time or within a specified time I could do so?"

Letter of Mrs. W. October 17, 1908

"From your last letter I judge that the question of the final disposition of the trust fund is the only point not entirely clear. I will decide in this way, especially as you say it can be arranged so that I could at any time withdraw the trust in order to make conditions more satisfactorily, so when both of Mrs. Merriman's children shall have died leaving no issue or adopted children the whole amount which constitutes the fund shall go to The General Hospital Society of Connecticut located at New Haven, Connecticut. When one of Mrs. Merriman's children dies the whole income shall go to the other during his life. If the one so dying leaves no issue the children taking the interest which was the parent's share and when of age taking the proper share of the fund. the trust then terminating, then when their interest in the fund cease the principal to go to the Hospital."

Letter of Mr. L. October 28, 1908

"I enclose you form of trust instrument. In carefully reading your letters with reference to your wishes I did not see how I could provide for the children of Mrs. Marriott receiving their portion of the trust fund as they became of age. Not only would it greatly entangle the trust fund itself to be constantly dismembering for the purpose of partial distribution but it would be impossible to tell how much any one child or grandchild of the children of Mrs. Merriman should take when they became of age since others might be born thereafter. I therefore though it most advisable to keep the trust in tact until the death of the survivor of Mrs. Merriman and her children."

Letter of Mrs. W. November 14, 1908

"I would like in case either of the parties mentioned should adopt children to have them receive the same benefit as issue. I should think it would be all right to terminate the trust and give

the fund to issue when the youngest child should reach the age of eighteen or in some such way.

"I desire to constitute a trust yielding the same income for Miss Pardee. I also wish to establish a trust to my sister Mrs. Sprague which would give her $200 a month".

Letter of Mr. L November 18, 1908

"I enclose trust agreement which embraces the suggestions made"

Letter of Mrs. W. November 1908

"I enclose form which you sent for my approval and which is quite satisfactory. If you consider other trust companies just as reliable as the Union it might be better to distribute these trusts instead of placing them all in one Company.

"I would like Miss Pardee to receive the income during her life. If at her death her sister Mrs. Sarah Katherine Beecher is still living I would desire her to receive the income during her life. If their father Leonard M. Pardee survives both daughters I would give him the income during his lifetime. If the daughters or either of them should leave issue or adopted children after the death of said Leonard M. Pardee the trust fund should be given to such children, otherwise to the State Hospital mentioned for the Merriman Trust.

"The trusts for Mrs. H. B. Sprague I would like to yield $200 per month. At her death I would give one half of the income to her daughter Mrs. W. W. Davis the other half to be divided equally among the sons of Mrs. Sprague, the children of any deceased son taking the parent's share. In case Mrs. Davis should die before the termination of the trust her share of the income should be divided equally among the sons of Mrs. Sprague and the daughter of Mrs. Davis (Mrs. Roy Marsh) Children of any of these persons (if deceased) taking the parent's share . Twenty years after the death of Mrs. Sprague the trust fund

may be equally divided among the above mentioned decedants or such of them as are surviving. If none survive it may be given to the State Hospital mentioned before. For these trusts I should like the same provision with regard to right to revoke as is given in paragraph 9 of the Merriman Trust".

Letter of Mrs. W. December 11, 1908

"I enclose three checks, one for $60,000 and two for $45,000 each. How will the interest be paid? If interest should be paid January 1st, if it could without complications or trouble of any kind be paid to me, I would prefer it as I have advanced to some of the parties the amount which it has been my custom to advance the first of each month"

Letter of Mrs. W. December 14, 1908

"In reply to yours of the 12th I will advance the monthly payments until July 1st. Will the Trust Company make the payments monthly as I prefer after that date or will they have to be made semi-annually?

Letter of Mr. L. December 15, 1908

"The payments will be made by the bank monthly"

Letter of Mrs. W. December 18, 1908

"I think it would be better to buy bonds which have a long period to run before maturity. Of course it is possible the trust might not terminate in twenty five or thirty years".

Letter of Mrs. W. November 5, 1909

"Since communicating with your last I have not been able to give very close attention to anything but I have tried to write out in a general way what I would like to do in forming the trusts and these directions I enclose. When mentioning children I include as before adopted children. I think I may possibly a little later form other trusts and would like if they can be

bought s favorably to get $100,000 worth more of bonds. I would like to place the trusts as follows:

Mrs. Marriott's with Union Trust Company

W. W. Merriman'swith First Federal Trust Co.

G. L. Gerard's with First Federal Trust Co.

Mrs. Bugbee's with Mercantile Trust Co.

Mrs. Davis with Mercantil Trust Co.

Mrs. Beecher's with Mercantile Trust Co.

Mr. Sprague with Anglo California Trust Co.

Here follow particulars of trust as same appear in original trusts instruments, each providing for residue to be given to General Hospital Society of Connecticut.

Letter of Mrs. W. November 9, 1909

"I should like the same clause in all of these trusts giving me the right during my lifetime to reject r modify the trusts etc. as was incorporated in the trust agreements previously made."

Re: Modification of Winchester Trusts Created in 1909.

Letter of Mrs. Winchester, dated Jan. 26, 1915.

"I am sending you my copy which the Mercantile Trust Co. of San Francisco holds for Mrs. Isabelle C. Merriman. You will notice that on the last page it states that I have reserved the right at any time to modify the terms of the trust or to revoke it all together. For good reasons I am very anxious to have

the check which sould come on or before the first of Feb. sent to me. For reasons which I can not explain, I know that this would be the best disposition to be made of it"

Letter of Mrs. W. dated July 12, 1917.

"I would like to change nearly all of the trusts that I made some years since.

Of Mrs. Merriman's trust I would like in the event of her death to have one-half held in trust for each of her children for life and in case one of them dies, the survivor to receive the whole of the interest for life. When both shall have passed away the General Hospital Society of Conneticut to have the principal.

In case of Mrs. Marriotts death, her child or children to have the interest for life, then the principal to be given to the same hospital society.

Mrs. McLean, formerly Mrs. Beecher, trust to be held for her daughter Anita for life then the principal to go to the same hospital society.

Mrs. Ruthrauff, formerly Mrs. Bugby, trust to be held for life by her child or children, if any, then the principal to go to the Hospital Society mentioned.

If Miss B. Pardee should marry and leave surviving her child or children, her trust to be held equal for such children and Hazel Beecher, her niece. If she should leave no children or children, her trust to be held equally for Hazel Beecher and Anita McLean. In the event of one of these children dying, one-half the principal should be given to the hospital and the whole given on the death of both.

"Trust of G. L. Gerard,

Wm. Merriman,

Wm. P. Sprague,

to be held for life by child or children, if any, then to go to the afore mentioned Hospital Society. The funds from these trusts which are eventually to be received by the aforesaid Hospital Society are given to be used for the benefit of the hospital annex the W. W. Winchester Memorial."

Letter of Mrs. W. dated Sept. 19, 1917.

"Replying to yours of the 18th, first, regarding the Mrs. Merriman trust, since sending you memoranda of changes to be made I have simplified the changes of this particular trust. I would have the income given as a present to Mrs. Merriman for life, at her death one-half of the income to be paid to her son William for life and the other half to her daughter Mrs. Marriott for life. If son or daughter should die before Mrs. Merriman, the entire income to be paid to surviving child. When both son and daughter shall have died the principal to be given to the Hospital Society."

Letter of Mrs. W. dated Dec. 18, 1917.

"I have just received copies of your letters to the several trust companies and all seem quite satisfactory. (These letters enclosed duplicate trusts indentures "Each being a modification of a trust indenture already held"

In the case of the Mercantile Trust Co. there was also enclosed revocation of the Davis trust, the other modified trusts being Bugby-Ruthrauff, Beecher-McLean, Isabelle Merriman.

The Union Trust Co. trust was for Mrs. Marriott.

The Anglo-California Trust Co. trust was for Wm. Pardee Sprague."

In the case of the First Federal Trust Co. trusts for Louise Pardee, W. W. Merriman and G. L. Gerard copy of letter written the Trust Co. attorneys hereto attached.

And after considerable correspondence the matter was closed by complying with the requirements of the trust companies attorneys, which were to revoke the trusts and to form a new one. At the same time it was discovered that the modified trusts did not contain the

provision for the monthly payments and the further amendment in each case was executed so as to carry out Mrs. Winchester's desires in that regard.

Mrs. W. W. Davis Trust, dated Dec. 10, 1909, 22 $1000 City and County of S. F. 5% Fire Protection Bonds, Nos. 3816 tc 3837, inc. Contains following provision:

"9th The said party of the first part hereby reserves the right at any time here after during her lifetime should she so desire to modify the terms of this trust or to revoke said trust all together and to resume the possession and ownership of said bonds and she has and shall have the right to make such modification or revocation at any time during her life is she shall see fit so to do and all the right and title hereinbefore given or conveyed by her or given and conveyed upon the express condition that she has and shall continue to have such power and right to make such modification or revocation should she desire to do so."

Mrs. Davis died Dec. 27, 1916.

Letter of Mrs. W. dated Marhh 5, 1917.

"I would like to revoke the trust I made with the Mercantile Trust Co.for Mrs. Davis. Have the bonds registered in my name and to become solely and entirely my own property.

"I would like also to with draw the modification of Mrs. Merriman's trust held by the Mercantile Trust Co., which modification was made Jan. 30, 1915, and the trust to stand just as originally agreed which gives to her the monthly interest instead of sending it to me.